



C. J. SCHLOSSER  
& COMPANY, L.L.C.  
CERTIFIED PUBLIC ACCOUNTANTS

**STS JOACHIM AND ANN CARE SERVICE**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
DECEMBER 31, 2019

233 East Center Drive, P.O. Box 416  
Alton, Illinois 62002  
(618) 465-7717 Fax (618) 465-7710

80 Edwardsville Professional Park  
Edwardsville, Illinois 62025  
(618) 656-2146 Fax (618) 656-2147



**STS JOACHIM AND ANN CARE SERVICE**

TABLE OF CONTENTS  
DECEMBER 31, 2019

	<u>Page</u>
<b>Independent Auditor's Report</b>	1 - 2
<b>Financial Statements:</b>	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 14



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Sts Joachim and Ann Care Service

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Sts Joachim and Ann Care Service (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sts Joachim and Ann Care Service as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

We have previously audited the Sts Joachim and Ann Care Service's 2018 financial statements and our report dated February 12, 2019, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*C. J. Schlemmer & Company LLC*

Certified Public Accountants  
Alton, Illinois

March 18, 2020

**STS JOACHIM AND ANN CARE SERVICE**

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2019

(With Comparative Totals for 2018)

	<u>2019</u>	<u>2018</u>
<b><u>ASSETS</u></b>		
Current Assets:		
Cash and Cash Equivalents	\$ 280,195	\$ 297,012
Grants and Accounts Receivable	73,105	176,154
Funds Held by Others	-	16,755
Prepaid Expenses	6,275	5,504
Inventory	10,447	3,097
Total Current Assets	<u>370,022</u>	<u>498,522</u>
Noncurrent Assets:		
Fixed Assets, Net	<u>1,866,297</u>	<u>1,927,408</u>
Total Assets	<u>\$ 2,236,319</u>	<u>\$ 2,425,930</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
Current Liabilities:		
Accounts Payable	\$ 9,311	\$ 7,982
Accrued Expenses	7,578	40,814
Current Maturities of Long-term Liabilities	<u>66,694</u>	<u>65,746</u>
Total Current Liabilities	<u>83,583</u>	<u>114,542</u>
Non-Current Liabilities:		
Note Payable	281,974	345,455
Less: Current Maturities	<u>(66,694)</u>	<u>(65,746)</u>
Total Non-Current Liabilities	<u>215,280</u>	<u>279,709</u>
Total Liabilities	<u>298,863</u>	<u>394,251</u>
Net Assets:		
Without Donor Restrictions:		
Undesignated	1,798,429	1,765,661
Board Designated	10,002	9,920
With Donor Restrictions	<u>129,025</u>	<u>256,098</u>
Total Net Assets	<u>1,937,456</u>	<u>2,031,679</u>
Total Liabilities and Net Assets	<u>\$ 2,236,319</u>	<u>\$ 2,425,930</u>

See accompanying notes to financial statements

**STS JOACHIM AND ANN CARE SERVICE**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(With Comparative Totals for 2018)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2019</u>	<u>2018</u>
<b>Revenues, Gains, and Other Support:</b>				
Contributions	\$ 367,167	\$ 221,478	\$ 588,645	\$ 530,279
Grants - Government	-	1,025,540	1,025,540	1,076,104
Grants - Other	260,260	176,844	437,104	536,793
In-kind Contributions	913,075	-	913,075	1,071,219
Special Event Revenue	70,310	-	70,310	71,346
Less: Costs of Direct Benefits to Donors	(24,411)	-	(24,411)	(22,810)
Net Revenues From Special Events	45,899	-	45,899	48,536
Gain on Disposal of Equipment	1,300	-	1,300	3,662
Other	24,393	-	24,393	22,820
Investment Income	82	-	82	293
<b>Net Assets Released from Restrictions:</b>				
Satisfaction of Program Restrictions	1,550,935	(1,550,935)	-	-
<b>Total Revenues, Gains, and Other Support</b>	<u>3,163,111</u>	<u>(127,073)</u>	<u>3,036,038</u>	<u>3,289,706</u>
<b>Expenses and Losses:</b>				
Program Services	2,719,949	-	2,719,949	2,774,878
Management and General	352,014	-	352,014	438,884
Fundraising	58,298	-	58,298	84,295
<b>Total Expenses and Losses</b>	<u>3,130,261</u>	<u>-</u>	<u>3,130,261</u>	<u>3,298,057</u>
<b>Change in Net Assets</b>	32,850	(127,073)	(94,223)	(8,351)
<b>Net Assets at Beginning of Year</b>	<u>1,775,581</u>	<u>256,098</u>	<u>2,031,679</u>	<u>2,040,030</u>
<b>Net Assets at End of Year</b>	<u>\$ 1,808,431</u>	<u>\$ 129,025</u>	<u>\$ 1,937,456</u>	<u>\$ 2,031,679</u>

See accompanying notes to financial statements

**STS JOACHIM AND ANN CARE SERVICE**

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(With Comparative Totals for 2018)

	Program	Management and General	Fundraising	Total	
				2019	2018
Salaries	\$ 732,040	\$ 91,406	\$ 34,267	\$ 857,713	\$ 948,954
Payroll Taxes	52,260	6,797	2,258	61,315	68,270
Insurance - Health	107,227	6,223	14,096	127,546	148,977
Insurance - Life	1,916	234	89	2,239	-
Retirement Expense	30,796	4,190	1,704	36,690	36,669
Professional Fees	429	9,953	-	10,382	10,011
Contracted Services	13,359	8,938	-	22,297	23,927
Assistance to Individuals	764,452	-	-	764,452	650,251
Assistance to Individuals - In-kind	736,336	-	-	736,336	854,747
Contributed Services	79,950	96,788	-	176,738	216,472
Office Expenses	4,932	9,410	620	14,962	15,352
Postage	2,052	2,678	170	4,900	4,482
Memberships and Dues	350	1,231	150	1,731	19,267
Marketing	-	785	-	785	862
Education and Training	1,685	1,966	-	3,651	3,661
Meals and Luncheons	-	552	-	552	863
Transportation and Travel	26,453	157	-	26,610	19,938
Bank Fees	853	3,834	994	5,681	4,646
Miscellaneous	4,644	4,489	-	9,133	5,723
Insurance - General	11,172	9,790	222	21,184	19,776
Depreciation	78,170	11,863	2,504	92,537	88,511
Interest	10,621	2,033	330	12,984	12,432
Rental Expenses	8,400	-	-	8,400	8,400
Repairs and Maintenance	12,943	3,198	305	16,446	21,458
Telephone	17,747	7,260	-	25,007	22,945
Utilities	21,162	3,632	589	25,383	27,261
Taxes and Assessments	-	64,607	-	64,607	64,202
	<u>\$ 2,719,949</u>	<u>\$ 352,014</u>	<u>\$ 58,298</u>	<u>\$ 3,130,261</u>	<u>\$ 3,298,057</u>

See accompanying notes to financial statements

**STS JOACHIM AND ANN CARE SERVICE**

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(With Comparative Totals for 2018)

	<u>2019</u>	<u>2018</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ (94,223)	\$ (8,351)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	92,537	88,511
Gain on disposal of equipment	(1,300)	(3,662)
(Increase) decrease in operating assets:		
Grants receivable	103,049	(122,537)
Funds held by others	16,755	(15,102)
Prepaid expenses	(771)	11,894
Inventory	(7,350)	1,408
Increase (decrease) in operating liabilities:		
Accounts payable	1,329	(3,158)
Accrued expenses	(33,236)	259
Net Cash Provided (Used) By Operating Activities	<u>76,790</u>	<u>(50,738)</u>
Cash Flows from Investing Activities:		
Purchase of property and equipment	(31,426)	(113,903)
Proceeds from asset disposal	1,300	15,943
Net Cash Provided (Used) By Investing Activities	<u>(30,126)</u>	<u>(97,960)</u>
Cash Flows from Financing Activities:		
Payments on note payable	(63,481)	(64,045)
Net Cash Provided (Used) By Financing Activities	<u>(63,481)</u>	<u>(64,045)</u>
Net Change in Cash and Cash Equivalents	(16,817)	(212,743)
Cash and Cash Equivalents at Beginning of Year	<u>297,012</u>	<u>509,755</u>
Cash and Cash Equivalents at End of Year	<u>\$ 280,195</u>	<u>\$ 297,012</u>
Interest Paid	<u>\$ 12,984</u>	<u>\$ 12,432</u>

See accompanying notes to financial statements



## **STS JOACHIM AND ANN CARE SERVICE**

### NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2019 AND 2018

#### **NOTE 1: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities** - Sts Joachim and Ann Care Service ("Organization") is a nonprofit community organization established in 1981 to reach out to the community to provide case management, homeless outreach, rental assistance, emergency shelter, assistance with utility bills, medical expenses and owner occupied home repairs as well as weekly food sustenance through an on-site food pantry and job search and application tools.

The Organization obtains its revenue primarily through local and state contracts, donor contributions and private grants.

**Related Parties** – The By-Laws of the Organization designate that there shall be a Member which shall be the Pastor of Sts. Joachim and Ann Catholic Church, provided that in case of vacancy in the position of Pastor of Sts. Joachim and Ann Catholic Church, the administrator of the parish shall serve as Member of the Corporation and, if the parish should cease to exist, the Archbishop of St. Louis shall designate who is to be the Member of the Corporation.

The Member of the Organization has certain enumerated powers of oversight and approval specified in the By-Laws of Sts. Joachim and Ann Care Service.

**Use of Estimates** - The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**Basis of Presentation** - The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting. Financial statement presentation follows the guidance of FASB ASC 958-205, as amended by ASU 2016-14. Under FASB ASC 958-205, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: assets with donor restrictions and net assets without donor restrictions.

The Organization follows accounting standards set by the Financial Accounting Standards Board (FASB). In June 2009, the FASB issued FASB ASC 105, Generally Accepted Accounting Principles, which established the FASB Accounting Standards Codification (FASB ASC), as the sole source of authoritative U.S. generally accepted accounting principles (GAAP).

**STS JOACHIM AND ANN CARE SERVICE**  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018 (CONTINUED)

**Fair Value of Financial Instruments** - The fair value of financial instruments classified as current assets or liabilities, including prepaid expenses and other assets, accounts receivable, accounts payable and accrued expenses approximate carrying value due to the short-term nature of these accounts. The values of these assets are determined using Level 1 inputs.

The Organization determines the fair value of certain assets on a recurring basis through application of FASB ASC 820 (formerly SFAS No. 157, *Fair Value Measurements*) for financial assets and liabilities. The Organization has no material financial assets or liabilities measured at fair value and, accordingly, management has determined that the application of ASC 820 does not have a material impact on the financial statements.

FASB ASC 820 is also effective for nonfinancial instruments of the Organization. There were no triggering events that required fair value measurements of the Organization's nonfinancial assets and liabilities at December 31, 2019 and 2018.

**Accounts Receivable** - Accounts receivable consist of amounts due to the Organization from various funding agencies. The Organization reviews these amounts to determine whether they are collectible and has determined that an allowance for uncollectible amounts is not considered necessary at December 31, 2019 and 2018.

**Property and Equipment** - Property and equipment is recorded at cost. The capitalization threshold is set at \$500. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, as follows: Building – 40 years; Equipment and Furniture – 5-7 years; and Vehicles – 3 years. Maintenance and repairs are charged to operations. Major improvements are capitalized. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation is removed from the accounts and the gain or loss, if any, is included in the comparable statement of activities.

**Tax Status** - The Organization is tax-exempt under Section 501(c)(3) of the Internal Revenue Code and, therefore, is exempt from both federal and state income taxes. Accordingly, no provision has been made for income taxes in the accompanying financial statements.

The Organization has adopted the provisions of FASB ASC 740-10-25 (formerly FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes - an Interpretation of FASB No. 109*) requiring disclosure of uncertain tax positions. There has been no interest or penalties recognized in the Statement of Activities nor in the Statement of Financial Position related to uncertain tax positions. In addition, no tax positions exist for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly increase or decrease within the next 12 months. The Organization evaluates its uncertain tax positions, if any, on a continual basis through review of its policies and procedures and discussions with outside experts. Tax years remaining open as of December 31, 2019 are the past three years ended December 31, 2016 through 2018.

**STS JOACHIM AND ANN CARE SERVICE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019 AND 2018 (CONTINUED)**

**In-Kind Services** - In-kind services donated by volunteers are reflected as contributions and offsetting expenses in the accompanying financial statements based on the number of hours worked at predetermined hourly rates, which approximate a market rate. The amounts are recognized if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Total in-kind services recorded as contributions and expenses for the years ended December 31, 2019 and 2018 totaled \$176,738 and \$216,472, respectively.

The fair value of donated services included as contributions in the financial statements and as corresponding program expenses for the years ended December 31, are as follows:

	<u>2019</u>	<u>2018</u>
Case managers	\$ 28,803	\$ 28,376
Accounting services	2,874	3,184
Information technology services	21,661	27,861
Drivers - food pantry	8,924	12,436
Building maintenance	3,025	4,340
Other professional services	<u>111,451</u>	<u>140,275</u>
	<u>\$ 176,738</u>	<u>\$ 216,472</u>

Donated materials are recorded as support at their estimated values at the date of receipt.

Donated food pantry items are only reported when the items are distributed to program participants. Due to the uncertainty of the value of these items, no value is assigned until distributed and therefore, these items are not reported as inventory.

**Funds Held By Others** - The Organization received allotments from AmerenUE and Heat Up STL that are restricted for utility assistance payments through the Dollar More Program and Heat Up STL programs. These funds are held by the respective agencies and had balances of \$0 and \$1,363 at December 31, 2019 and 2018, respectively.

**Concentrations** - The Organization receives a substantial amount of its funds from local and state funded agencies. Significant reductions in these funds would have a material effect on the Organization's financial position.

**Comparative Financial Statement Information** - The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2018, from which the summarized information was derived.

**STS JOACHIM AND ANN CARE SERVICE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019 AND 2018 (CONTINUED)**

**Subsequent Events** – In accordance with FASB ASC 855 (formerly SFAS No. 165, Subsequent Events), the Organization has evaluated subsequent events through March 18, 2020, which is the date the financial statements were available to be issued.

**Inventory** – The Organization values the inventory at cost.

**Contributions** - Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

**Cost Allocation** - The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The Organization allocates expenses across programs on a basis that best represents the underlying use or cost to the related program.

**NOTE 2: GRANTS AND ACCOUNTS RECEIVABLE**

Grants and accounts receivable consists of the following at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
ESG	\$ 32,765	\$ 12,130
CCRB	13,542	25,173
LCRB	-	16,290
Exchange activity	-	560
Missouri Foundation for Health	-	120,572
MHTF	16,250	-
MO HIP	7,000	-
CDBG - O'Fallon	<u>3,520</u>	<u>1,429</u>
	<u>\$ 73,077</u>	<u>\$ 176,154</u>

All grants and accounts receivable are considered fully collectible.

**STS JOACHIM AND ANN CARE SERVICE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019 AND 2018 (CONTINUED)**

**NOTE 3: PROPERTY AND EQUIPMENT**

Property and equipment consists of the following at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Land	\$ 258,500	\$ 258,500
Building	2,072,980	2,053,458
Computers and Equipment	263,946	259,688
Vehicles	<u>57,023</u>	<u>57,023</u>
Property and equipment, at cost	2,652,450	2,628,669
Less - accumulated depreciation	<u>(786,153)</u>	<u>(701,261)</u>
Property and equipment, net	<u>\$ 1,866,297</u>	<u>\$ 1,927,408</u>

The Organization had depreciation and amortization expense of \$92,537 and \$88,511 for the years ended December 31, 2019 and 2018, respectively.

**NOTE 4: LEASES**

The Organization entered into a lease for the Lincoln County office on February 1, 2014 for a three-year period through January 31, 2017. Terms of the lease have been extended by four years through January 31, 2021. The monthly payments for this lease are \$700 for a total of \$8,400 in the fiscal years ended December 31, 2019 and 2018.

**NOTE 5: REVOLVING LINE OF CREDIT**

The Organization has a revolving line-of-credit with Commerce Bank. The amount available is \$50,000 and the stated interest rate is prime+3.50%. The highest borrowing on the line of credit at any time was \$28,000 and \$25,704 for the years ended December 31, 2019 and 2018, respectively. The line of credit did not have a balance at the end of either year.

**NOTE 6: PENSION PLAN**

The Organization maintains an agency retirement plan, covering substantially all of its employees, to which it contributes 5% of qualifying employees' base salaries. The plan expense for the years ended December 31, 2019 and 2018 totaled \$36,690 and \$36,669, respectively.

**STS JOACHIM AND ANN CARE SERVICE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019 AND 2018 (CONTINUED)**

**NOTE 7: NOTES PAYABLE**

Notes payable at December 31, 2019 consists of the following:

	Balance Payable December 31, <u>2018</u>	<u>Additions</u>	Retirement of Debt	Balance Payable December 31, <u>2019</u>
Archdiocesan Fund	<u>\$ 345,455</u>	<u>\$ --</u>	<u>\$ 63,481</u>	<u>\$ 281,974</u>

\$942,000 note issued by the St. Louis Archdiocesan Fund on July 1, 2009; interest only through December 7, 2012. The amortized loan, with a balance of \$705,599, began in December 2012. The note has a stated interest rate of 8% and is due in monthly payments of \$6,399, including principal and interest, through May 1, 2029. As of December 31, 2019, the outstanding balance on this debt was \$281,974.

Future annual debt payments are as follows:

Year Ended December 31,	<u>Principal</u>	<u>Interest</u>
2020	\$ 66,694	\$ 10,094
2021	69,443	7,346
2022	72,272	4,516
2023	<u>73,565</u>	<u>1,575</u>
	<u>\$ 281,974</u>	<u>\$ 23,531</u>

**NOTE 8: RELATED PARTY TRANSACTIONS**

As a result of the relationship between the Organization and the Member as described in Note 1, certain transactions by the Organization with the St. Louis Archdiocese and with Sts. Joachim and Ann Catholic Church are considered to be related party transactions. In addition to the notes payable as described in Note 7, the Organization made payments of \$226,509 to the related parties for health insurance (\$127,546), assessments (\$64,607), interest (\$12,984), insurance (\$21,184), and utilities (\$188).

The Organization also receives contributions from the Archdiocese of St. Louis and Sts. Joachim and Ann Church in the amounts of \$105,000 and \$43,363, respectively.

**STS JOACHIM AND ANN CARE SERVICE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019 AND 2018 (CONTINUED)**

**NOTE 9: NET ASSETS WITH DONOR RESTRICTIONS**

Donor restricted net assets of \$129,025 and \$256,098 are available for the Organization's programs for the years ended December 31, 2019 and 2018, respectively. As of December 31, 2019, and 2018, net assets with donor restrictions were comprised of balances from the following sources:

	<u>2019</u>	<u>2018</u>
Subject to expenditure for specified purpose:		
Government Grants:		
MHTF	\$ 4,923	\$ 16,207
Hostels for Hope	16,416	11,105
City of St. Charles	-	4
CDBG	-	210
Indigent	287	91
MO - HIP	-	2,126
Private Grants/Contributions	<u>107,399</u>	<u>226,355</u>
Total Donor Restrictions	<u>\$ 129,025</u>	<u>\$ 256,098</u>

Purpose restrictions received and accomplished:

	<u>Received</u>	<u>Accomplished</u>
Government Grants:		
MHTF	\$ 210,000	\$ 221,284
CCRB	209,352	209,352
LCRB	154,737	154,737
CDBG	203,716	203,926
Hostels for Hope	52,800	47,489
MO HIP	65,795	67,921
ESG	116,340	116,341
Other	12,800	12,603
Private Grants/Contributions	<u>398,322</u>	<u>517,282</u>
	<u>\$ 1,423,862</u>	<u>\$ 1,550,935</u>

Net assets were released from donor restrictions by incurring expense satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors.

**STS JOACHIM AND ANN CARE SERVICE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019 AND 2018 (CONTINUED)**

**NOTE 10: BOARD DESIGNATED NET ASSETS**

The Organization’s governing body has designated, from net assets without donor restrictions of \$10,002, net assets for the following purposes as of December 31, 2019:

Quasi-Endowment	\$ <u>10,002</u>
-----------------	------------------

**NOTE 11: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. Donor-restricted amounts that are available for use within one year for general purposes include grants and contributions from both private and government sources.

Financial assets, at year end	\$ 353,300
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Restricted by donor with time or purpose restrictions	<u>(129,025)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 224,275</u>

The Organization is substantially supported by restricted contributions. Because a donor’s restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus financial assets may not be available for general expenditures within one year. As part of the Organization’s liquidity measurement, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization maintains its reserves in cash accounts that are liquid for use on demand. The Organization also maintains a line of credit to be able to assist in cash flows needs.